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The original instrument was prepared by Mary Dozier O'Brien. The following digest, which does not constitute a part of the legislative instrument, was prepared by Michelle Ducharme.

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## DIGEST

White (SB 399)

Present law provides that electric cooperatives organized in Louisiana may not remain in existence for more than 99 years.

Proposed law allows for perpetual existence of an electric cooperative, unless stated otherwise in the articles of incorporation of the cooperative.

Present law provides that bylaws shall be adopted, amended, or repealed by members only, except that the board of directors may amend bylaws to allow voting of the members by mail, except in matters involving the sale, lease, or encumbrance of all or a substantial part of the property of the cooperative.

Proposed law retains present law except that the bylaws may be adopted, amended, or repealed by the board of directors.

Proposed law provides that the board of directors shall not adopt any bylaws that are in conflict with the provisions of R.S. 12:414, 418, or 421.

Proposed law provides that only the members of the cooperative may amend the bylaws with reference to the dissolution of the cooperative or the sale, lease, or other disposition or encumbrance of all or a substantial part of the property of the cooperative.

Present law provides that if voting by mail is authorized by the bylaws of an electric cooperative, the board of directors can prescribe conditions necessary for voting, including the definition of a quorum for purposes of the voting by mail.

Proposed law allows only the members to prescribe the conditions in the bylaws regarding the issues of conditions necessary for voting, including the definition of a quorum for purposes of the voting by mail, when the provisions of the bylaws at issue relate to the dissolution of the cooperative or the sale, lease, merger, or other disposition or encumbrance of all or a substantial part of the property of the cooperative.

Proposed law provides that nothing in the present or proposed law shall limit the right of the board of directors of an electric cooperative, without the authorization of the members, to authorize the execution and delivery of mortgages, deeds of trust, or the pledging or encumbering of any or all of the property, assets, privileges, licenses, franchises, or permits of the cooperative to secure indebtedness of the cooperative to the federal government, a bank, an insurance company, or other lending institution, notwithstanding any provision of the articles of

incorporation or bylaws to the contrary.

Effective August 1, 2012.

(Amends 12:403(2) and 407)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the original bill.

1. Adds that only members may prescribe conditions in the bylaws for voting by mail or the constituting of a quorum when the such bylaws relate the merger of all or any substantial portion of property belonging to the cooperative.